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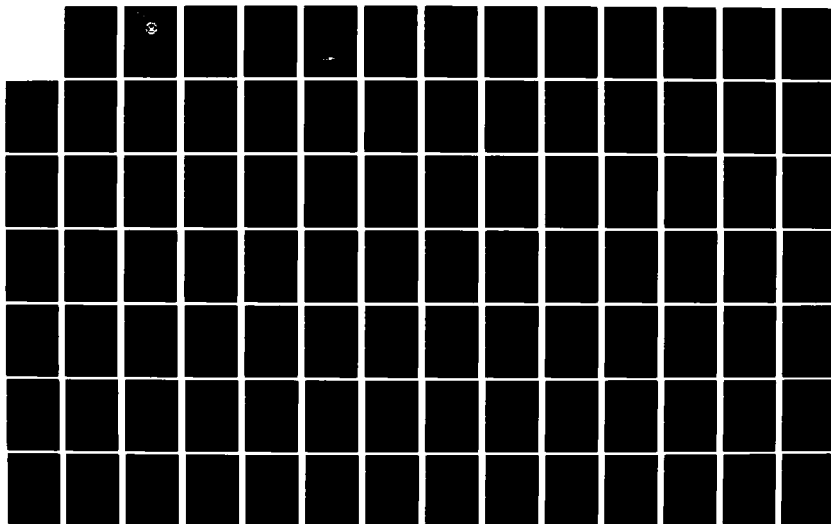
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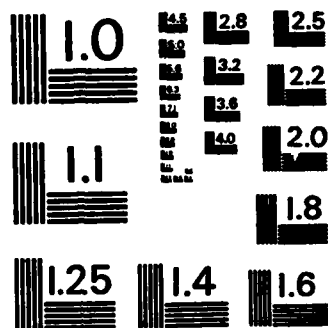
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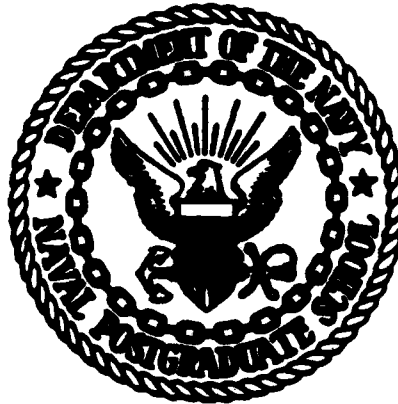


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THESIS

AN ANALYSIS OF CONTRACTING OFFICER
TECHNICAL REPRESENTATIVE
TRAINING REQUIREMENTS

by

Anthony Livingston Cole
and
Joel Leon Biliouris

June 1982

Thesis Co-Advisors: J. W. Creighton
M. L. Sneiderman

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technical liaison functions are usually called Contracting Officer Technical Representatives (COTRs). Since the environment COTRs must work in is often new and requires different knowledge and skills, the content and quality of training of these individuals is of significant importance. This research identifies the knowledge and skill requirements for COTRs, examines the assets currently in use to satisfy COTR training needs, and proposes a new approach to the structure and administration of COTR training. A modular structure using several presentation media is emphasized, and video sessions are featured. Examinations are also given.

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An Analysis of
Contracting Officer Technical Representative
Training Requirements

by

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ABSTRACT

The activities within the Navy Field Contracting System (NFCS) which exercise regional contracting management responsibilities are writing and administering an increasing number of services type contracts. These contracts require active participation in the contract administration function by the activities for which the contracts are written. The persons assigned the duty of representing the contracting officer and performing the technical liaison functions are usually called Contracting Officer Technical Representatives (COTRs). Since the environment COTRs must work in is often new and requires different knowledge and skills, the content and quality of training of these individuals is of significant importance. This research identifies the knowledge and skill requirements for COTRs, examines the assets currently in use to satisfy COTR training needs, and proposes a new approach to the structure and administration of COTR training. A modular structure using several presentation media is emphasized, and video sessions are featured. Examinations are also given.

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I. INTRODUCTION

A. GENERAL

In a recent issue of "Navy Times" magazine, it was announced the Department of Defense plans to contract out 15,688 civilian positions to private industry during fiscal year 1983. It also stated another 1,932 military positions would be converted during the fiscal 1983 to 1987 period. "Overall resource constraints require Defense to find ways to do more with less," Defense Secretary Caspar Weinberger was quoted as saying, in his annual report to the Congress. He was further quoted, "Major strategies to accomplish our goal are contracting out and pursuing productivity enhancing capital investment and management strategies." [Ref. 1]

This clear statement of direction demonstrates the intention on the part of DoD to continue the expansion of the contracting out of services which began in earnest after the issuance of OMB Circular A-76 "Policies for Acquiring Commercial or Industrial Products and Services for Government Use," dated August 20, 1967, and supplements dated October 18, 1976, June 13, 1977 and April 5, 1979.

The contracting out being referred to by the Secretary of Defense in his statement includes both the Commercial/Industrial-- herein referred to as Commercial Activities (CA), and to Contractor Support Services (CSS). The latter category has

been the target of a substantial amount of the expansion in the levels of contracting out activity since about 1976. Between fiscal year 1980 and 1981, total contracting dollars in the NFCS increased by 19%. At the same time, service contracting dollars in the NFCS increased by 9%, according to statistics available to NAVSUP headquarters. [Ref. 2]

The effect of all this contracting out of functions (CA) and support services (CSS) is not only the shift of resource pressures at the DoD level. It has placed the requiring activities--the customers--in Navy and the other services in the position of depending on private sector firms for the performance of mission elements (in the case of CA contracts) and vital staff and other support functions (in the case of CSS contracts). This significant shift of emphasis and dependence has also placed new responsibilities on the Navy Field Contracting System (NFCS) activities in that they perform the contracting duties for the contracting out efforts.

That these changes have produced problems in adjustment would perhaps be an understatement. The scope of all of the possible causes and effects of the difficulties in the contracting out process is too large to suit the interests of the researchers. Instead, the researchers have chosen to concentrate on the nature of the duties and responsibilities--and particularly the training requirements for Contracting Officer Technical Representatives (COTRs) and associated monitoring personnel.

In a letter issued simultaneously to the Commanding Officers of each of the twelve activities within the NFCS in February of 1982, the Commander Naval Supply Systems Command, Rear Admiral A. A. Giordano, SC, USN, expressed his personal concern about the quality of performance and training of COTRs assigned to activities supported by the NFCS. He also expressed the view that the background and skills of COTRs must be examined prior to their appointment to assure that they are, in fact, qualified to perform their assigned functions, including validation of contractor invoices. This concern stemmed from the existence of various problems with COTRs throughout the NFCS, due to the unfamiliarity of COTRs with contract administration procedures or proper use of contractor personnel in non-personal services contracts. He asked that a review of the personnel assignments and training be made with a view toward resolution of the problems being experienced. [Ref. 3]

B. OBJECTIVES OF THIS RESEARCH

The principal objective of this research is to determine the optimal content, structure and mode of presentation of training for Contracting Officers Technical Representatives (COTRs). An additional objective is to determine the need for differentiation in titles and in the content of training programs for COTRs and Contract Monitors (CMs).

C. RESEARCH QUESTIONS

Determine what training information should be imparted to prospective or current Contracting Officer Technical Representatives (COTRs):

1. Determine the prerequisite knowledge and skills for COTRs and CMs.
2. Identify the difference between COTRs and Contract Monitors (CMs).
3. Determine the important considerations concerning the mode of presentation for COTR and CM courses.
4. Determine what resources for training COTRs and CMs are in existence and to what extent they fulfill the needs for COTR and CM training.
5. Identify the nature of the perceived needs of Navy Headquarters and field activity contracting officers and other contracting personnel concerning COTR training.

D. SCOPE AND LIMITATIONS

The research herein reported is limited to the analysis of COTR and CM training requirements for NFCS activities under the cognizance of the Naval Supply Systems Command (NAVSUP) and their supported customer activities. It specifically does not consider the unique requirements of the activities performing contracting duties under the auspices of the other Systems Commands subordinate to the Chief of Naval Material (CHNAVMAT).

E. RESEARCH METHODOLOGY

The research herein reported was conducted by personal interviews, and discussions during on-site visits with personnel in the following organizations:

1. Naval Material Command, Washington, D.C.
2. Naval Supply Systems Command, Washington, D.C.
3. Naval Regional Contracting Center, Washington, D.C.
4. Naval Supply Center, Charleston, SC.
5. Naval Supply Center, Oakland, CA.
6. Castle Air Force Base, Merced, CA.
7. Naval Electronics Systems Command Engineering Center, Charleston, SC.
8. Post Contracting Office, Fort Ord, CA.

Additionally, interviews and telephonic discussions were conducted with personnel in the following organizations:

9. Naval Regional Contracting Center, Philadelphia, PA.
10. Naval Regional Contracting Center, Long Beach, CA.
11. Naval Electronics Systems Command Engineering Center, Vallejo, CA.
12. Naval Supply Center, Norfolk, VA.

A review of pertinent directives, COTR and CM training manuals, syllabi, training aids and other material was conducted. This review was focused principally on the materials pertaining directly to the NFCS activities, but also included perusal of U.S. Air Force and U.S. Army directives, manuals and training syllabi; and the Department of Labor COTR training video tape and manual. A Federal Acquisition Institute video tape on conflict of interest scenarios was also examined.

F. ORGANIZATION OF THE THESIS

This thesis is organized into chapters, the first three of which identify the environment and knowledge and skill requirements for personnel who will serve as COTRs and CMs.

The fourth and fifth chapters describe the currently existing resources for training COTRs and CMs within the NFCS; and also outside NFCS; and some advantages and disadvantages of different content and modal emphases.

The sixth chapter contains conclusions and recommendations concerning content and modes of COTR and CM training. Descriptive outlines for improved COTR and CM courses, as well as suggested sample tests are provided as appendices.

G. RESEARCHER DATA

The researchers are both U.S. Navy Supply Corps Officers with a combined active duty service of thirty-five years, sixteen of which is in supply. Each is a candidate for the degree "Master of Science in Management", with a concentration in Acquisition and Contract Management, at the Naval Postgraduate School, Monterey, CA. One of the researchers has experience in the procurement field, as a member of the Navy Acquisition Contracting Officer (NACO) training program, and two years on-the-job experience in contract administration and field management at an NFCS activity. The other researcher has experience in the general supply, aviation support, supply analysis and planning and in technical application areas.

This initial chapter examined the methodology and direction of the study. The next chapter deals with the contracting out environment and describes the constraints which exist as a result of policy, directives and practices in DoD procurement in general, and Navy in particular. The need for requiring activities to get involved in the contract administration aspects of their contracting out of functions and services is established, and the emergence of the COTR term is discussed. The problems of terminology in discussing COTRs is resolved by the establishment of new definitions.

II. THE CONTRACTING OUT ENVIRONMENT

A. POLICY AND DIRECTIVES

With the publication of OMB Circular A-76, the U.S. Government's policy of contracting out to the maximum extent feasible those of its commercial or industrial functions which could be performed economically and efficiently by private sector firms was established. Since the advent of that policy, as amended in subsequent issuances, the practice of contracting out has been expanded to include more of Contractor Support Services (CSS) kind of contracting out.

This tendency toward an expansion of the contracting out of functions is motivated by both the need to insure the efficient and effective utilization of appropriated funds and the constraints on civilian personnel ceilings imposed by the desire shared by several Administrations to reduce the size of the Federal Bureaucracy. The directives which, for the Navy, provide the policy and procedures for the contracting out of various functions are:

1. SECNAVINST 4860.44C governs Commercial/Industrial Activities (CA).
2. SECNAVINST 4200.1 governs Contractor Support Services (CSS).
3. SECNAVINST 4350.8C governs Contractor Engineering Technical Services (CETS).

Commercial/Industrial Activities (CA) contracts are generally fixed price and are characterized by routinized "blue

collar" services such as mess attendants services, trash removal, janitorial services, transportation, packing and crating, key punch and bulk POL storage. These activities are usually performed on board Naval stations and bases and cover an entire, recognizable element of the customer organization's assigned mission. The wide range of types of CA activity makes any broad generalizations as to the need for degrees of contract administration expertise of questionable value and accuracy. It is recognized certain CA activities requirements could fall into the administratively complex category; the researchers have found, however, that CA activities are generally less complex than CSS or CETS contracts.

Contractor Support Services (CSS) are those for consulting services, studies and professional and management support services as defined in NAVMATINST 4200.50C. CSS contracts typically are of the indefinite delivery (D) type, cost reimbursement, level of effort or time and material/labor hour variety. The services are often highly complex, technical efforts which result in products requiring significant technical expertise to adequately evaluate. While they are sometimes performed on board Naval activities, they are often efforts which take place on the contractor's premises. The tailored nature of the services acquired using these CSS contracts and the complexity of their evaluation makes their administration as a rule somewhat difficult.

Contracting Engineering Technical Support Services (CETS) deal with engineering and technical representation and equipment familiarization (factory training). CETS contracts are not currently being written or administered by NFCS activities which have regional contracting responsibility.

B. CONTRACT ADMINISTRATION IN THE CONTRACTING OUT ENVIRONMENT

The Defense Contract Administration Services (DCAS) has the responsibility for administering all contracts issued by the Department of Defense, except for those which are, for any of a number of reasons, selected for inclusion in the Plant Cognizance Program, or for which DCAS administration would not be appropriate. DCAS's basic orientation is toward industrial activity and it performs its management, liaison, audit, QA and acceptance functions at plant locations, either on a resident or management area basis. Its personnel are highly qualified to accomplish the DCAS mission in the industrial environment. Since its creation, DCAS has maintained the practice of not performing its functions on board installations under the control or command of one of the Uniformed Services. Thus, for instance, DCAS would not normally perform contract administration functions for CA type contracts like mess attendant services or bulk POL storage. Additionally, DCAS does not normally administer contracts where the greatest proportion of the administration function involves quality assurance surveillance by technical or engineering specialists

at the requiring activity. CSS contracts, therefore, are not usually appropriate for DCAS administration because of the highly specialized nonindustrial QA skills required.

Because the administration of CA and CSS contracts by DCAS is inappropriate, NFCS activities must generally rely extensively on the requiring activities--those for which the contracts are written and which receive the services--to perform much of this vital function. The Chief of Naval Material articulated this policy for all Naval activities in NAVMATINST 4220.50C of 2 February 1982. This directive establishes the requirement for requiring activities to participate directly in the administration of CSS contracts written on their behalf. The rationale for this action is that contracting activities within the NFCS generally do not have personnel who possess the specialized expertise or professional qualifications necessary to perform the quality assurance and evaluation tasks called for by CA or CSS contracts. On the other hand, the requiring activities possess the necessary technical skills and abilities to a much greater extent.

C. THE EMERGENCE OF THE COTR TERM

The origin of the title: Contracting Officer's Technical Representative (COTR) within the Navy Field Contracting System emanates from the issuance of Commander Naval Supply Systems Command Instruction 4330.6, entitled "Administration of Service Contracts" [Ref. 4]. This instruction, issued in December of

1977, provided procedures for use by the Navy Field Contracting System (NFCS). The scope and applicability of the procedures contained in the instruction included both Contractor Support Services (CSS) and Commercial Activity (CA) types of contracts for which significant contract administration functions are retained by the Procuring Contracting Officer (PCO) for delegation to government representatives within the requiring (customer) activity.

The definition of the COTR term in the original NAVSUP instruction was:

Individuals authorized to issue and administer task orders under cost reimbursement level of effort type contracts which provide for the assignment of work or tasks to the contractor by issuance of task order within the scope, level of effort and funding of the contract.

It is significant this definition included only cost type contracts as being under the cognizance of a COTR--without any reference to the time and material/labor hour variety or the fixed price contracts issued to acquire CA type services.

The superceding instruction, now in draft form, will contain a description of the COTR as:

An individual appointed in writing by the Commanding Officer of the requiring activity or his/her duly authorized representative, who functions as the technical representative of the contracting officer in the administration of a specific contract or delivery order. A COTR's duties under a specific contract or delivery order will be contained in the contract administration plan for the contract. COTR duties include assuring quality, providing technical direction as necessary with respect to the specifications or statement of work, and monitoring the progress, cost and quality of contractor performance. COTRs will not issue delivery orders. [Ref. 5]

This latest version of the NAVSUP instruction includes detailed new guidance on the appointment of COTRs, provides sample letters of appointment for COTRs, provides procedures for ordering officers (but not for COTRs) and introduces the concept of the Contract Administration Plan. The significance of the Contract Administration Plan is in the elevation of the matter of the letter of appointment of COTRs to the command attention level as well as requiring the receiving command to become involved in the administration of contracts for which it is the requiring activity. The strengthening of the relationship between the contracting and requiring activities will, from the NAVSUP viewpoint, help to eliminate some of the problems (which will be discussed later) with COTRs and their performance. [Ref. 6]

D. THE TERMINOLOGY PROBLEM

While the original introduction of the term COTR within the NFCS was in relation to CSS type contracts, its use in relation to certain requiring activity quality assurance reporting functions in CA type contracts has become increasingly more common. This tendency corresponds somewhat to the general lack of differentiation by many Naval personnel between the CA and the CSS type contracts. These two broad types are often spoken of as if they were essentially the same thing. In fact, however, as has been demonstrated by their respective descriptions in this chapter, they are not the same. The governing directives on their use make concrete distinctions

between them. [Refs. 7, 8, 9 and 10] And, while they both fall into the broadest category--contracting out, they are vastly different from the contract administration perspective.

On the one hand--from the CA perspective--the need is for an individual who can monitor the contractor's performance in accomplishing some discrete mission function, usually on the Government's premises. This monitoring requires knowledge and experience attributes which are of the general variety found in functionally trained Government civilian and military employees. The measures of performance correspond to a large extent with those which the Government uses to evaluate its own performance in those areas. The essential difference, however, lies in the complete transfer of the management and staffing of the CA type services to the contractor; whereas in CSS contracting efforts, only the individual, staff-like, support responsibilities are assigned to the contractor. The evaluation of performance of CSS contractors is, because of the professional and relatively complex nature of the services, more difficult.

Thus, CSS contracts demand a different level and type of contract administration expertise.

E. THE NEED FOR DISTINCTIONS

It is the contention of the researchers that, because of the real differences between CSS and CA types of contracting efforts, there must be a deliberate distinction as well in

the evaluation of desirable skills, qualification levels and other attributes necessary to assure satisfactory performance by the contracting officer's representative--whatever the title. To facilitate this distinction for the purposes of discussion, the researchers have elected to refer to COTRs as those individuals of the requiring activity who are appointed by their command to perform duties as the technical representative of the contracting officer, as defined by NAVSUPINST 4330.6A--as it applies to CSS contracts only. The researchers have chosen the term Contract Monitor (CM) to apply to those individuals of the requiring activity who are designated by their command to perform duties as technical liaison between the contractor and the contracting officer. They perform quality assurance, monitoring and reporting duties for CA type contracting out efforts only.

The Naval Supply Center Charleston's Contracting Department is the apparent originator of this crucial differentiation. The Regional Contracting Management Staff of that organization, charged with conducting training for a large number of "COTRs" of supported activities in the late 1970s, developed and administered an extensive COTR training course which has since been modified and refined [Refs. 11 and 12]. This course will be analyzed and evaluated in a later chapter.

The researchers learned from Mr. William McDowell at NSC Charleston [Ref. 13] that, during the administration of a succession of these courses, it was discovered that there were

many individuals among the "COTR" students who actually were working with CA type as opposed to CSS type contracts. An evaluation of the aggregate of duties and responsibilities these individuals would be expected by the contracting officer to perform revealed that there were fundamental differences between the basic knowledge, skills and qualification requirements these CA contract individuals were expected to have and those expected of the students working with CSS contracts.

As a practical matter, NSC Charleston was burdened with an ever-increasing number of requests for COTRs in the late 1970s. The Regional Contracting Management Staff ascertained much of the material contained in the lesson plan and student notebook for the COTR courses they were administering was either inappropriate or unnecessary for the purpose of training CA contract representatives. Much of the length of their COTR course was and is devoted to matters unique to the administration of cost type contracts--particularly "D" type--and to time and material/labor hour arrangements. Additionally, there were other elements of their instructional materials which, in their judgement, were "wasted" on CA contract people--but not on CSS contract COTRs. These elements included certain rather extensive materials on organization, regulations and contract law.

On the basis of the perceived need to eliminate superfluous material from the training of CA contract representatives and thereby ameliorate to some extent the resource pressures

created by providing the same three and one half day training course to all, NSC Charleston decided to create another, shorter course for the CA contract individuals. The new course was designated Contract Monitor (CM-1) and its first presentation was in October 1979 [Refs. 12 and 13]. The content of this course will be analyzed in a later chapter.

Thus, the term Contract Monitor (CM) came to be used, at NSC Charleston, to identify an individual assigned to the requiring activity and performing QA and technical liaison duties for CA contracts. The researchers have adopted this term and will use it throughout this thesis to facilitate the distinction between the duties and responsibilities--and hence the training needs of COTRs and CMs.

In this chapter, the contracting environmental, historical and procedural factors affecting the acquisition of services by the Government have been analyzed. The need for distinctions between the CA and the CSS types of contracting; and between the titles applied to the personnel involved in monitoring, technical liaison and representation for the contracting officer was emphasized. In the next chapter the specific duties and responsibilities which have been identified by various NFCS and headquarters activities for assignment to COTRs will be analyzed so that the knowledge and skill requirements for their satisfactory performance can be extracted. These knowledge and skill requirements will then be incorporated into learning objectives for use in structuring training

for COTRs. A similar approach will be employed to the development of learning objectives for CMs.

III. KNOWLEDGE AND SKILL REQUIREMENTS

From the preceding chapter, it is apparent that the range of duties and responsibilities which COTRs and CMs are expected to handle is very broad. The administrative and technical complexity of the types of contracts the COTR has to deal with result in requirements for skills and knowledge for COTRs which exceed those generally requisite for CMs.

A. COTR KNOWLEDGE AND SKILL REQUIREMENTS

Before a COTR can be appointed, he or she must be qualified technically and administratively to take on the duties and responsibilities of the job. This general need can be divided into two categories of requirements. First, there are the technical knowledge and skills in the prospective COTR's area of professional employment. An engineer might be expected to have advanced level knowledge and skills covering certain specific areas in which the contractor would be providing services. If, for example, the contract were for assistance and consulting services to support an effort to design a high energy laser, the COTR might need, as one of the professional prerequisites, a certain level of experience with laser technology. The COTR might also need to have experience in using the agency's automated project data management systems and other administrative devices. He or she would need these

things in order to adequately communicate with the contractor and evaluate his products as well as to deal with the administrative requirements of the agency. For purposes of distinction, these will be referred to as professional prerequisite skills.

On the other hand, the contract administration skills the prospective COTR must attain prior to assuming his or her role are those not expected to be possessed by the COTR prior to training. They are knowledge and skills which the COTR must attain as a result of the COTR training program. The matter of determining the nature and extent of professional prerequisite skills for COTRs is left to the commanding officer or head of the requiring activity. This section is concerned with what the prospective COTR must be exposed to and what skills he or she must acquire during NFCS COTR training.

The following general knowledge and skill requirement areas, which have been extracted from interviews and perusal of letters of appointment of COTRs issued by activities within the NFCS will be analyzed in this section:

1. General Administration
2. Monitoring the Contractor
3. Invoicing, QA and Acceptance
4. Technical Representation and liaison
5. Problem Resolution.

Before proceeding with that analysis, however, it is propitious to consider some of the realities concerning the working relationships and duties COTRs have.

Interviews with COTRs at the Naval Electronics Systems Command Engineering Center at Charleston, South Carolina, revealed that a typical COTR of the approximately twenty assigned at that center is a supervisory level engineer [Ref. 14]. Frequently the COTRs are division directors. Without exception, they are deeply involved in the details of problems and projects as well as the administration of personnel and other supervisory matters.

All of these COTRs have attended the COTR training course offered by NSC Charleston. As a general rule, according to Mr. Bernard, this training course is the total extent of the specific training NAVELEXENGCEM Charleston COTRs receive in their duties, although they are assisted as necessary by the ordering officers at the center. The ordering officers, who are full-time contracting personnel, provide assistance to the COTRs for contracts for which they have ordering responsibility. The contracts in this case are "D" type arrangements for certain engineering services such as drawings and design modifications. The contracts are issued by NSC Charleston and orders against them are made by the ordering officers at NAVELEXENGCEM.

Bernard and Schoob indicated that, while they generally felt quite comfortable with the technical aspects of their

interface with the contractor, they had some concern about the contract administration aspects of their responsibility. These engineering professionals described for the researchers an example of the kind of difficulty they often faced. The matter described was one of interpretation of an apparent discrepancy in invoicing. The contractor had submitted an invoice bearing a citation of labor hours expended which was considerably below the planned figure corresponding to the billing date. Before attesting to the accuracy of the billing and forwarding it to the contracting division, the COTR wanted to be sure his certification on the invoice would not somehow create difficulties if the contractor later claimed the number of hours expended during the billing period was right up to plan. The cognizant ordering officer, who was present during the interview, later provided specific guidance to the COTR.

If the problem the COTR at Charleston experienced was reasonably typical of the ones COTRs have to deal with regularly, then it is apparent COTRs need to be made familiar with the general nature of billing in their area of cognizance, as well as the peculiar aspects of invoicing for their contracts. For the typical COTR at NAVELEXENGGEN Charleston, this familiarity and training must come from the COTR training course they receive. Based on this information and informal discussions at other activities within the NFCS the researchers have concluded that generally, technical personnel serving as COTRs depend mostly on the COTR training course they receive for

their working knowledge of the business and contract administration aspects of their jobs.

The area of contract administration into which the COTR is placed at the time of his appointment is complex. The procedures which the COTR will be expected to follow are based in part on laws, executive orders, regulations having the force of law, internal agency practices and "good business practices." These things are usually not well known to the technical specialists or engineers who are appointed as COTRs because they have little real need in the normal course of their job performance to deal with administrative or business issues other than budget, personnel and other organizational administrative matters.

The requirement for formal training COTRs established by NAVSUPINST 4330.6A (draft) leaves the matter of deciding the exact nature of that training undefined:

Only those individuals who have received COTR training and possess the requisite technical skills and experience to effectively monitor the services being provided under a specific contract can be appointed as a COTR under that contract. [Ref. 2]

It should be noted here that there is no professional general schedule (GS) series for COTR duties. Personnel in the GS series for procurement duties are not usually trained in COTR duties, either.

The basic core of knowledge required by COTRs in the General Administration area includes:

1. Orientation to the legal and regulatory authority for, and organization of Navy contracting
2. Cost and pricing principles
3. Basic contract law
4. Types of contracts
5. Definition of important terms
6. Understanding the terms and conditions--how to read contract
7. "Do's and don'ts" for standards of conduct
8. Relationships with contractor personnel
9. General limits on COTR authority.

This information provides the background necessary to effectively use the more specific knowledge and skills attained by study of the other areas.

Monitoring the contractor, the next of the broad areas of responsibility, requires some specific learning objectives in addition to those of the general administration area be met. Among the most important learning objectives in this area are to be able to:

1. Assure the contractor's compliance with safety requirements
2. Ensure that services performed remain nonpersonal in nature
3. Ensure the contractor does not exceed the defined statement of work (SOW)
4. Monitor the use of Government material and equipment
5. Monitor contractor key and non-key personnel assignments
6. Monitor the prime contractor's subcontracting efforts.

In the area of invoicing, Quality Assurance (QA) and acceptance, the most important objectives require the prospective COTR to be able to:

1. Certify invoices
2. Compare invoices against monthly cost charts and report to the PCO
3. Ensure the percentage of work completed corresponds to the funds expended
4. Inspect the work
5. Accept the services for the Government.

The technical representation and liaison functional area demands that the COTR be able to:

1. Correctly interpret contractor questions concerning technical details and advise the PCO/ACO
2. Issue technical direction letters (TDLs) to the contractor concerning the questions at hand
3. Review and evaluate contractor proposals
4. Assist in negotiating supplemental agreements under the supervision of the PCO/ACO
5. Act as a vehicle for the transmission of contractor requests for change, deviation and waiver to the PCO/ACO
6. Cooperate with and maintain liaison with DCAA concerning floor checks in the contractor premises
7. Serve as point of contact within the requiring activity
8. Make trip reports after visits to contractor premises
9. Facilitate communications between the requiring activity, contracting activity and contractor
10. Attend post award conferences.

Lastly, the problem resolution area requires the COTR to be able to: alert the PCO/ACO to any potential problems, such as overruns; and help in the determination of causitive factors in schedule slippage or other defects in performance.

It should be emphasized at this point that while the foregoing list is a rather extensive compilation of learning objectives, it is neither all inclusive nor all exclusive. Much depends on the type of contract, the nature of the services being acquired and the individual needs and directions of the PCO/ACO. They can, however, be treated as a general minimum set of requirements which can be added to or reduced as the circumstances indicate. Accordingly, these objectives will be the basis for a recommended COTR course structure.

B. CM KNOWLEDGE AND SKILL REQUIREMENTS

The Contract Monitor (CM) is a member of the requisitioning activity and serves as the technical liaison between the PCO/ACO and the contractor. NSC Charleston's CM course (CM-1) Student Notebook asserts that the CM has the responsibility for assuring the satisfactory performance and delivery of the final product under the contract [Ref. 12]. It also states that the CM's general basic duties include:

1. To review the contract and have a thorough understanding of requirements.
2. To establish lines of communication between himself and the contracting officer and himself and the contractor.

3. To report any problem areas immediately to contracting officer with recommendations for correction.
4. To report significant requests from contractor to the contracting officer with recommendations.
5. To document the above actions in writing in the official purchase file to protect all parties.
6. To submit periodic reports on general status of contractor's performance.

CMs perform their duties while assigned to CA type contracts and are normally assigned to the functional area within the requiring activity in which a portion of the function is contracted out. A good example because it is a potentially common arrangement at a larger number of Naval activities, is the situation in which a Navy Foodservice Officer is assigned as the Contract Monitor for a contract to provide mess attendant services. It should be noted, however, that the practice of assigning Foodservice Officers as CMs is not universal--or even particularly common--among activities served by the NFCS. As a consequence, it is believed by the researchers, a significant potential exists for improving the administration of CA type contracts by assigning the functional area supervisor as the CM.

The mess attendant services in most current cases available to the researchers were performed (before contracting out) by organic naval personnel usually referred to as "mess cooks". The mess cooks were among the most junior enlisted personnel at a typical command and, under the supervision of "Mess Deck Masters-at-Arms", came under the operational control and were

the responsibility of the Foodservice Officer. In the contracting out scheme, these personnel are typically replaced by a contractor organization which provides a specified level of service in such areas as clean up, scullery operation and maintenance of condiment lines. Functionally, the tasks which are thus performed by the contractor organization remain the responsibility of the Foodservice Officer. As a consequence, there is every reason for him to be involved in the administration of the contract for those services. In this way, the FSO can maintain the vital operational control over his/her functional areas.

The learning objectives for the CM include, first, a general orientation to contracting relationships and to definitions and terms, as well as a thorough understanding of the "Do's and Don'ts" of the standards of conduct regulations. The specific knowledge and skill requirements--those directly utilized in the assigned monitoring effort--depend on the nature of the contract and upon the needs of the PCO/ACO. The more specific objectives include, as a minimum, the understanding of the "Do's and Don'ts" for each of the general duties listed at the beginning of this section. This understanding provides the ability to avoid many of the pitfalls and problems which CA contracts have experienced.

In a number of past and current Navy CA type contracts known to the researchers, in which no specific training was given to the functional area supervisor, and in which there

was no formal designation of anyone as a CM, several avoidable problems surfaced. Only the most general guidance for reporting "unsatisfactory" performance to the PCO was given the requiring activity. While the functional area supervisors were keenly aware of the quality of service they received, their lack of specific responsibility, tasking or training regarding the relationship with the contractor in some cases prevented adequate communications between the contracting and requiring activities. As a consequence of the requiring activities' limited participation in the quality surveillance and performance reporting functions, the contracting activity's job was made a bit rougher. The PCO often had little or no basis for requiring the contractor to cure problems or to terminate the contract for default, once he became aware of the problems. This condition has a potential for degrading otherwise good working relationships between personnel of the requiring and the contracting activity.

The lack of clear assignment of responsibility and provision of appropriate training has also contributed to misunderstandings by managers as to what administrative functions the contracting and requiring activities retain or acquire by virtue of their relationship in the contracting out scheme.

This chapter has provided an examination of the duties and responsibilities of COTRs and CMs within the NFCS, and has identified some of the problems experienced in the contracting out environment which are of interest to the

researchers. This chapter has provided the basis for and developed learning objectives for comparison with the various training courses now in existence. These courses will be portrayed and analyzed in the next chapter, with a view toward establishing an optimum structure for presentation of the required materials.

IV. EXISTING COTR TRAINING PROGRAMS

In this chapter the current training assets will be discussed and a brief analysis of each of the training courses will be provided.

A. NSC CHARLESTON'S COTR AND CM COURSES

NSC Charleston currently has two COTR training programs in use. They are entitled Contracting Officer Technical Representative (COTR), and Contract Monitor (CM).

The Regional Contracting Management Staff, Naval Supply Center, Charleston, South Carolina, developed the first COTR course--COTR-1--in 1978. It was developed in partial response to the needs of a customer activity, Naval Electronic Systems Command Engineering Center, Charleston, South Carolina (NAVELEXENGCEC).

That activity had recently experienced some extreme difficulties in administering its Contractor Support Services contract. Their contractor's top officers were arrested for fraud and during the ensuing investigation and trial it was alleged that NAVELEXENGCEC contract personnel failed to detect or deter the fraud. The trial, which resulted in the conviction of the top three company officers, was later overturned on appeal. Another result was that NAVELEXENGCEC Charleston's interest in a course that hopefully would prevent recurrence--or at the very least make its likelihood remote--was born.

As the cognizant systems command, NAVSUP invited the NFCS regional contracting management staffs to attend the first course presentation by NSC Charleston and to participate in the course development. As the course was "tuned", revision COTR-1A was issued, followed shortly thereafter by yet another version, COTR-1B. [Refs. 11 and 12]

NSC Charleston course COTR-1B is used by five of the six NFCS field contracting management staffs for COTR training within their assigned contract management areas. A copy of the COTR-1B course outline is shown at Appendix A.

NSC Charleston developed the Contract Monitor (CM) course CM-1 in October 1979 [Refs. 14 and 15], as a result of their experiences with teaching the COTR course. It soon became apparent to the contracting management staff teaching the course that a large percentage of the class was made up of individuals whose duties may be described as similar in some ways to those of COTRs, but less complex. The need for this distinction was addressed in Chapter II. A copy of the CM course outline is shown at Appendix B.

B. COURSE DESCRIPTION AND ANALYSIS

The COTR course length is three and a half days, with a class size of twenty-five to thirty students. This course has been presented eight times since its inauguration. An average class size of thirty students has been observed. To date, NSC Charleston has trained approximately two hundred

and forty COTRs. NSC Charleston plans to offer four more courses during the remainder of fiscal year 82, for a total of approximately three hundred sixty trained COTRs by 30 September 1982.

The purpose of the COTR course, as described in the lesson plan for COTR-1B, is:

To provide an introduction to government acquisition which will serve as a basis for providing further training in the duties and responsibilities of a Contracting Officer's Technical Representative (COTR). The COTR serves as a technical liaison between the contractor and the contracting officer. The COTR is responsible for assuring satisfactory contractor performance and delivery of the final product. In short, the COTR is the contracting officer's direct representative in an area that can be extremely complex and full of potential pitfalls, both technical and legal. [Ref. 12]

The course is taught by the regional contracting management staff personnel and augmented by contracting officers from the buying branches of the Contracting Division. The lecture-conference method is used, which allows for interaction between the students and the lecturers. The students are provided with a printed student notebook that is configured to allow for note taking directly on each page. The handouts are kept current and provide the student with the needed reference material. The students are cautioned against using the course materials for reference purposes in the future without checking to see if the acquisition regulations or instructions have changed.

An analysis of the COTR course COTR-1B material has revealed that fourteen of eighteen chapters are devoted to what

the researchers view as principally background as opposed to procedural material. Comments received from COTRs concerning this remarkable proportion of background material have led the researchers to conclude that the optimum balance would include less background material. The areas which lend themselves to condensation, digesting and/or deletions to coincide with the learning objectives developed in Chapter III include:

1. Federal Acquisition Policy
2. Contract Law
3. Contract Types
4. Contract Clauses

The researchers have concluded that NSC Charleston's COTR course COTR-1B is a well-thought-out and expertly presented course. Particularly noteworthy is the initiative displayed by NSC Charleston's regional contracting management staff in developing the course without NAVSUP tasking or additional resources.

C. COTRs TRAINED BY OTHER NFCS FIELD MANAGEMENT ACTIVITIES

The remaining four NFCS activities which have regional contracting management responsibilities and which presently use the NSC Charleston, SC, COTR course COTR-1B are: the Naval Regional Contracting Center, Philadelphia, PA, Naval Regional Contracting Center, Long Beach, CA, Naval Supply Center, Norfolk, VA and the Naval Supply Center, Oakland, CA.

Through personal and telephone interviews with the directors of the regional contracting management staffs, the researchers were informed that all of the activities using the COTR course consider the course worthwhile and basically use the course as outlined. These directors further stated that they supplement the course materials with both classroom discussions and handouts tailored to suit their particular training needs. The following breakdown indicates the numbers of courses completed by each activity and the number of COTRs trained:

1. Naval Regional Contracting Center, Philadelphia, PA: forty courses completed to date with approximately one thousand and twenty-five COTRs trained. NRCC Philadelphia expects to offer six COTR courses per out year.
2. Naval Regional Contracting Center, Long Beach, CA: thirty-six courses completed to date with approximately one thousand and sixty COTRs trained. NRCC Long Beach expects to offer twelve COTR courses per out year.
3. Naval Supply Center, Norfolk, VA: twenty-five courses completed to date with approximately one thousand COTRs trained. NSC Norfolk expects to offer six COTR courses per out year.
4. Naval Supply Center, Oakland, CA: nineteen courses completed to date with approximately five hundred seventy COTRs trained. NSC Oakland plans to offer two more COTR courses this fiscal year and expects to offer six COTR courses per out year.

D. NAVAL REGIONAL CONTRACTING CENTER, WASHINGTON, D.C.

The Naval Regional Contracting Center (NRCC), Washington, D.C., is the only contracting activity within the NFCS with regional contracting management responsibility which chooses

not to use Regional Contracting Management staff personnel to teach the COTR course. That command has elected to discharge this responsibility through the use of contractor services acquired by the local civilian personnel office. Local firms, such as Management Concepts Incorporated, herein referred to as MCI, are used for this purpose.

E. COURSE DESCRIPTION AND ANALYSIS

The MCI course entitled "Contracting Officer Technical Representative (COTR)" is given over a three and a half day period and has an average class size of approximately thirty students. It also uses the lecture-conference method of instruction. During telephone interviews with MCI, the researchers learned that MCI recently changed the name of the course to "Management and Administration of Contracts for Non-contracting Personnel" [Ref. 18]. The reason given for the name change was to provide a more accurate description of the course and to eliminate the "NAVY" term COTR from the course description. This was the result of another terminology problem.

The Navy uses the term COTR to describe the individual who monitors contractor performance and is a member of the command receiving contractor support. The Army refers to these individuals as Contracting Officer Representative (CORs), while the Air Force calls them Quality Assurance Evaluators (QAEs). They are all terms dealing with requiring activity roles in contract administration--although on different types

of contracts. On the one hand, the Army CORs and the Air Force QAEs are only used for base level contracting and only on a firm fixed price basis. The Navy, on the other hand, uses the COTRs on all types of contracts--both firm fixed price and cost contracts. MCI has tried to avoid the terminology problem by not using any of the Uniformed Service terms.

MCI's course contains six chapters with one chapter devoted to background material and the remaining five chapters deal with the duties of the COTR. The course is well structured and places emphasis on techniques for solving everyday problems facing the COTR. The researchers believe the use of contractor personnel to teach the course is a possible drawback unless these instructors have the depth of operational NFCS experience to provide answers to real world questions raised by students. A copy of the MCI course outline is shown at Appendix C.

F. DoD SPONSORED COTR TRAINING

A Chief of Naval Material sponsored course: "Defense Contracts Management for Technical Personnel (MT)," is offered frequently and in many locations. Annual schedules of class offering and space allocation are announced by Naval Material Command Notice 5300 [Ref. 19].

The course length is one week and it is offered at various Department of Defense locations. The 1982 schedule indicated that the course will be offered fifty-seven times during the fiscal year. The course has been presented for the last several

years by the incumbent contractor, Sterling Institute's Resource Development Center.

The purpose of the course, as described in DoD directive 5010.16-C, is:

To provide noncontracting personnel associated with any of the various aspects of contracting with an understanding of the statutory and procedural requirements that form the basis of the contracting function; the impact on the contract by inputs from outside the contracting function is thus clarified. [Ref. 20]

The course focuses on the interrelationships between contracting personnel and other functions during the preaward and postaward phases. Strong emphasis is placed on soliciting, evaluating proposals, awarding the contract, and proper postaward surveillance.

The course contains fourteen chapters with nine chapters devoted to basically preaward activities. The remaining five chapters cover the following topics:

1. Contract Administration
2. Contract Modifications
3. Contract Terminations
4. Relief under Public Law 85-804
5. Conflicts of Interest and Standards of Conduct.

The course is well structured as a survey type course, but in the opinion of the researchers does not adequately cover the learning objectives established in Chapter III. This view is shared by the staff of the Chief of Naval Material in a letter dated 12 February 1982:

1. Reference (a) requested recommendations on how future COTR training needs should be met. After a review of the responses to reference (a), it is apparent that no single all inclusive course could be developed to address the unique requirements of each SYSCOM. However, to meet the requirements for basic standardized COTR training, MAT 021 has taken steps to develop a generalized COTR course to be given in conjunction with the existing Defense Contracting for Technical Personnel (MT) course. [Ref. 21]

As with the other courses discussed, this course utilizes the lecture-conference method of presentation. A copy of the Defense Contracting for Technical Personnel (MT) course outline is shown at Appendix D.

A course entitled "Contracting Officers' Representative" is a two week presentation given at the Army Logistics Management Center, Fort Lee, Virginia. The course is intended for use primarily by military and civilian personnel of the Department of the Army. The purpose of the course, as described in DoD directive 5010.16-C is:

To provide training to DA military and civilian personnel who are, or will be, functioning as contracting officers' representatives (CORs) for contracts dealing with technical and support services. This course is designed to improve job performance of personnel outside the contracting career field who will be involved with contracts at the installation level and will be performing such contract functions as contract surveillance, government contracting quality assurance, contract administration, and writing statements of work. [Ref. 20]

An analysis of the course indicates that the course is highly specific and limited to firm fixed price contracts that are administered at the base installation level. Great emphasis is placed on the techniques of random sampling. Random sampling is the technique used to determine the quality

of contractor performance and--more importantly--to compute the deductions in price for unsatisfactory contractor performance. Both the Army and Air Force use their CORs and QAEs, respectively, to determine what deductions will be made from the firm fixed price contract, based on the random sampling. Firm fixed price contracts that allow for deductions based on random sampling are not currently in use within the NFCS.

The major drawback of the COR course in the opinion of the researchers is the absence of instruction on cost type contracts. Cost type contracts are what the majority of COTRs will be exposed to in the NFCS context.

G. VIDEO MATERIAL

"The COTR's Role in Contract Administration" is a seventeen minute video tape presentation produced by the Department of Labor for use in their COTR training. The tape is available for use by all federal agencies through the Office of Federal Procurement Policy's Federal Acquisition Institute. The Federal Acquisition Institute is a governmental agency whose mission is to provide acquisition training programs for use throughout the federal government.

This tape is a professional dramatization of the problems a COTR can get into by not understanding the contract or what can happen when the COTR does not monitor the contractor performance every step of the way. The video tape emphasizes that good performance by the contractor can be achieved if the COTR ensures that the contractor follows the five points listed below:

1. Deliver only those services/products specified in the contract.
2. Avoid wasting time and money in misdirected efforts.
3. Give good performance.
4. Perform on time.
5. Stay within the budget.

The COTR is also instructed in the video tape that when a contractor has a cost type contract the contractor only has to give the contract his "best effort". Accordingly, contractor surveillance is of the utmost importance.

An analysis of the video tape and the accompanying COTR handbook indicates that a greater reliance is placed on the Department of Labor's COTRs for contract administration than would be expected of a COTR performing similar duties within the NFCS. For example, within the Department of Labor, the COTR performs an additional function as the focal point for issuing task orders. Task order is a term that is used through out the acquisition community. However, within the NFCS the term "task order" is replaced by the term "delivery order". An outline of the DOL COTR handbook is shown at Appendix E.

"Principles in Practice: Standards of Conduct for Federal Procurement Personnel" is a thirty-eight minute video tape presentation produced by the Federal Acquisition Institute.

This video tape--like the DOL tape--is a professional dramatization of real life situations that procurement personnel

are likely to face. The tape emphasizes the point that although everyone knows the rules (Standards of Conduct), the daily application of the rules is somewhat more difficult to manage.

An analysis of the video tape presentation indicates that the Federal Acquisition Institute has taken a very sophisticated approach to applying the Standards of Conduct. The tape uses seven real life scenarios to demonstrate what happens when the standards of conduct and conflict of interest rules are not practiced every day. For example, a contract negotiator is seen talking on the phone to a friend and mentions in an innocent way that he/she is about to award a contract to a particular firm. The scene shifts to the party on the other end of phone. That person says goodbye and immediately calls his/her stockbroker and places an order to buy stock in the firm that is being awarded the contract. The scene shifts back to the contract negotiator who, is somewhat dismayed that his/her friend had taken advantage of their friendship. The scene ends with the contract negotiator saying out loud that he/she knew the rules but....

This chapter has examined the existing COTR training programs that are used by the Regional Contracting Management Staffs within the NFCS for providing COTR training to requiring activities and those programs that are available to individual commands. The next chapter will discuss the advantages and disadvantages of the various course contents, modes of presentation and resource characteristics.

V. COURSE STRUCTURE AND DELIVERY CONSIDERATIONS

In the preceding chapter, the existing programs for COTR and CM training were portrayed and an analysis of their content and modes of presentation was presented. In this chapter, the advantages and disadvantages of the various content, mode and resource characteristics of these offerings will be discussed. A case will be made for utilizing certain approaches to COTR and CM training which can be applied to the recommended course structure addressed in the next chapter.

A. GENERAL COMMENTS BY COTRS CONCERNING THEIR TRAINING

Based on observations during class presentation of COTR courses by the NSC Charleston Regional Contracting Management Staff, as reported during an interview with its director [Ref. 13] and upon an interview with NAVELEXENGCECEN COTRs [Ref. 16], the researchers have been led to the tentative conclusion that COTRs who have been trained via the NSC Charleston course see a need for some restructuring of its content and emphasis.

Specifically, the COTRs who have been thus trained have indicated they think there is too much background material and not enough emphasis on procedural matters directly under the cognizance of the prospective COTRs. The opinion was expressed that the background material in some sense overwhelmed the students by its size and by the diversity and complexity of the information presented. The students indicated they saw little need for such a preponderance of administrative

background material in view of their actual responsibilities as COTRs. They saw the "meat" of the course as the procedural sections.

On the other hand, the Regional Contracting Management Staff Personnel who serve as instructors for the course believe there is a need for the students to understand the context of their duties and to be able to operate on more than a mechanical basis. This is particularly the case, according to the instructors, when because of the changing nature of the technical environment in which the COTRs must operate, a question arises which requires rapid analysis and answer. There are many situations, according to one of the contracting officers at the Naval Regional Contracting Center, Washington [Ref. 17], in which COTRs are required to make relatively rapid, off-the-cuff appraisals of the contractor's needs for direction concerning some technical issue. A thorough understanding of the contractual implications of constructive changes, for example, would be needed to allow the COTR to provide the necessary guidance, while avoiding unintentional creation of a constructive change or unauthorized commitment. Additionally, the very nature of the interface into which the COTR is inserted demands he or she be fully cognizant of standards of conduct (conflict of interest), nonpersonal services prohibitions, and requirements for dealing with contractor personnel. This material falls into the background vice procedural category.

In the opinion of the researchers, a great emphasis in course content on surveillance and QA procedures at the expense of adequate coverage of background and general business knowledge topics could result in a COTR who is highly limited in ability to act or react properly to unusual situations.

As has been previously stated, the complexity of CSS contracting efforts demands a COTR capable of being other than merely an invoice checker or receiver of services. What is required then is a "good" balance of the background versus the procedural material with a view to producing a COTR who is capable of dealing with the many different situations he or she is likely to face.

B. PRESENTATION MODE CONSIDERATIONS

One of the research questions identified in the first chapter of this thesis was to determine the important considerations concerning mode of presentation for COTR and CM courses. The previous chapter described several training assets which utilize the video tape cassette presentation mode to considerable advantage.

Remarkable among these was the COTR training tape produced for the Department of Labor and the Standards of Conduct tape produced for the Federal Acquisition Institute. Several characteristics were shared by these two presentations. They were both produced using professional standards, equipment, and actors. Additionally--and most important from a bottom

line impact perspective--they were both dramatizations of reality. Each emphasized a different topic, but both succeeded very well in capturing the attention of the viewer.

Considering the nature of the material required to be in COTR and CM courses, it would be difficult to overemphasize the value of really reaching the student with a professional presentation. The material presented in most of the COTR courses in the standards of conduct area includes reproduction of the applicable SECNAV and other instructions and some original, explanatory material. The result is uniformly a rather dry treatment of the subject matter, to say the least. The FAI tape, on the other hand, had a very interesting mini-plot and the portrayals of the different situations which are the subject of the standards were excellent in their sensitivity and sophistication. Its impact is much more likely to achieve the desired result--a clear idea in the mind of the viewer/student of what the standards are all about and how he might find himself in similar circumstances.

In a similarly effective way, the DOL tape portrayed the pitfalls of inadequate COTR performance for two different situations. Its main value in the context of NFCS COTR training is its clear message concerning the fact that the COTR is the principal advocate for the requiring activity and, as such, plays a more important role than might be apparent from reading either background or procedural material.

The researchers believe these two tapes have significant, enduring value as media assets to be used in tandem with other course materials. While they were not intended for the NFCS COTR or CM audience, the principles they espouse are certainly applicable to the NFCS COTR and CM environment.

Another general observation the reserachers have made is that the various amateur video tape training presentations they have viewed fall short in creating the impression of professionalism. They accordingly do not have the impact observed in the two taped presentations mentioned previously.

C. STRUCTURAL CONSIDERATIONS

In this section, some of the considerations concerning the structuring of COTR training courses will be reviewed. In this context, structure is used to describe the characteristics of a course from the perspective of logical sequences of topical presentations. It deals with the trade-offs of flow versus modularity, and integrates these concepts with the other considerations reviewed in this chapter.

The range of types of duties and responsibilities which COTRs and CMs are expected to discharge is very broad. COTRs can be assigned to CSS contracts of the cost reimbursement type, time and material/labor hour or, in some isolated cases, even the fixed price type. These very different pricing arrangements result in the placement of correspondingly different levels of responsibilities and types of duty on the cognizant COTRs.

Additionally, the particular environment in which a COTR must work has a large effect on the extent of the responsibility which the contracting officer desires to place on the COTR. Individual PCO/ACO preferences and needs based on their perceptions and experiences in contract administration also come into play when decisions concerning COTR duties are considered.

The table below portrays the pros and cons which should be reviewed when a decision is to be made whether to provide the whole range of necessary content to all COTRs being trained or to tailor the courses on an individual need basis, with only a basic core of background material as the universal element.

TABLE 1
TAILORED VERSUS UNIVERSAL COURSE STRUCTURE

<u>Tailored and Small Core</u>	
PROs	CONs
1. Most flexible (changes easily made)	1. Heavier Admin load for PCO/ACO & training team
2. Allows most effective use of student time	
3. Most responsive to needs of PCO/ACO and requiring activity	
4. PCO/ACO and student interaction enhances working relationship	

Universal

PROs	CONs
1. Student receives broad range of facts & skill	1. Requires greater course length and resources
2. Allows training of the greatest number of students at least cost	2. Rigidity of structure promotes student boredom and maybe alienation

As the table depicts, the researchers find that the modularization of COTR and CM training courses has some attractive advantages when compared to the costs. The recommended course structure will reflect options for modularization of the content.

D. OTHER CONSIDERATIONS

The researchers received several comments from personnel at NFCS activities concerning the need to make a working contracting officer available during the training sessions. This need was cited by McDowell [Ref. 13] and Green [Ref. 17] as an important element of the instructional process. The training team's ability to respond to questions concerning procedural matters and interact meaningfully would thus be enhanced.

This need for interaction between students and working contracting officers can be met most effectively by a discussion and question and answer period between the prospective COTR and the PCO for the contract to which the COTR will be assigned. It has occurred to the researchers that if the modular method of course construction were used, with the

core material available on video cassette, the PCO could custom tailor the procedural part of the course--and at the same time answer questions specific to the contract. An additional benefit from this approach could be the assurance of the actual extent to which the COTR or CM is prepared to assume his or her responsibilities. Tests similar to the ones provided in the appendices could also be administered at this time.

The researchers believe the benefits of the improved communications and getting the working relationship off to a better start are worthy of strong consideration. They recognize that the costs associated with this custom tailored approach are greater in the short run than some other methods--notably the mass or universal training course one. In the long run, however, this situation is likely to be reversed as less administration time is required of the PCO in trying to ascertain the status of the contractual effort in the face inferior communications and a less than optimum working relationship.

One of the more utilitarian aspects of the instructional media which NSC Charleston has chosen to use is the wide margin student notebook. Their books provide at about three inches of margin space in which the students can make notes during the class coverage of the course material. This practice appeals to the researchers as a valuable aid to the student who may be faced with the concepts at hand for the

first time and who accordingly may have multiple and complex needs for clarification--both for instant and future reference.

In this chapter some of the considerations concerning course structure and mode of presentation have been reviewed. The benefits of professional grade video tape coverage of certain subjects and modularization of the course structure were emphasized.

In the next chapter, the researchers' conclusions and recommendations for an optimum course structure will be discussed.

VI. CONCLUSIONS AND RECOMMENDATIONS

In the preceding chapter, the trade-offs of various mode, content and media attributes were discussed. In this chapter, the researchers' conclusions and recommendations will be asserted, and their proposal for an optimum course structure will be offered.

1. CONCLUSION: The learning objectives developed in Chapter III of this thesis represents a reasonable synthesis of the knowledge and skills required to effectively perform as a COTR in the NFCS environment.

RECOMMENDATION: Utilize these learning objectives, which have been converted into elements of instructional units, in the structure of optimum COTR and CM courses. The instructional units are identified in Appendix F.

2. CONCLUSION: The distinction which was asserted in Chapter II concerning COTRs and CMs is valid and also should be the basis for differentiation of the training requirements for the different types.

RECOMMENDATION: Utilize the Contract Monitor (CM) designation to identify those personnel who perform technical liaison and monitoring functions on CA type contracts within the NFCS. Utilize the COTR designation to identify those persons performing monitoring, technical liaison and representation functions on CSS type contracts

within the NFCS. Additionally: to the extent necessary and appropriate, designate the functional area supervisor of a contracted-out function as the Contract Monitor (CM).

3. CONCLUSION: The tailored modular approach to COTR course construction results in the most effective and flexible type of structure. It is easily adaptable to differing situations or environments and to variable length courses.

RECOMMENDATION: Utilize the modular construction method for development of COTR and CM training courses within the NFCS.

4. CONCLUSION: Video tape presentation of certain kinds of information is particularly effective in COTR training as a result of the impact of dramatizations of reality. This is most apparent for complex and sensitive situations such as interpersonal relationships and conflict of interest scenarios.

RECOMMENDATION: Utilize video tape presentation of materials concerning interpersonal relationships, especially where dramatizations can be employed.

5. CONCLUSION: Exercises and examinations during the COTR course allow the instructors, contracting officers and the parent commands of prospective COTRs and CMs to determine the extent to which the students have attained the learning objectives of the course. This determination should be the basis for certification of completion of COTR training and final qualification.

RECOMMENDATION: Utilize graded exercises and a final examination during each course to aid in the determination of qualifications for prospective COTRs. Examples which could be used are presented as Appendices H and I.

6. CONCLUSION: The value of having working contracting officers present during at least some phases of COTR and CM training is significant. The value lies in the special ability of the contracting officer to interact with and answer the questions of students on a practical level.

RECOMMENDATION: Provide, to the maximum extent practicable, in at least three sessions per course, a working contracting officer who is familiar with the types of contracts the students will work with.

7. CONCLUSION: The use of student notebooks which incorporate important course material and reference-worthy instructions and directives is highly desirable as an instructional media. Extra wide margins for note taking are a convenience for students. Emphasis on do's and don'ts type reference sections is also of considerable value.

RECOMMENDATION: Provide student manuals or notebooks for students to keep and emphasize especially important material by condensation into do's and don'ts sections.

8. CONCLUSION: There is no one COTR training course in existence which fulfills the needs of all activities

within the NFCS. Such a course can be adopted, using the modular approach, which can provide the opportunity for attainment of all the identified (Chapter III) learning objectives, and which can still be tailored to special needs or circumstances of individual activities.

RECOMMENDATION: Adopt a standardized core of COTR/CM training instructional units similar to those provided at Appendices F and G.

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APPENDIX A

CONTRACTING OFFICER'S TECHNICAL REPRESENTATIVE COURSE OUTLINE

NSC CHARLESTON COTR-1B COURSE OUTLINE

I. INTRODUCTION

- A. PURPOSE
- B. COURSE CONTENT
- C. OBJECTIVE OF TRAINING
- D. METHOD OF PRESENTATION

II. ORGANIZATION

- A. DEPARTMENT OF DEFENSE
- B. FEDERAL ACQUISITION POLICY (GENERAL)
 - 1. FORMAL ADVERTISING
 - 2. NEGOTIATION AUTHORITIES
 - 3. TWO-STEP FORMAL ADVERTISING
 - 4. COMPETITION REQUIREMENTS
 - 5. FAIR AND REASONABLE PRICE
 - 6. SMALL BUSINESS CONSIDERATIONS
 - 7. APPROPRIATED FUND CONSIDERATIONS
 - 8. SERVICE CONTRACT ACT OF 1965
 - 9. SUMMARY OF FEDERAL ACQUISITION POLICY

III. REGULATIONS

- A. DAR
- B. NCD
- C. NAVSUP PUBLICATION 467
- D. OTHER
- E. SUMMARY

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- B. SEMI-ANNUAL REVIEWS
- C. GRATUITIES
- D. CONFLICT OF INTEREST
- E. OUTSIDE EMPLOYMENT
- F. OTHER RESTRICTIONS
- G. ACTUAL VERSUS APPEARANCE
- H. DD FORM 1555
- I. SUMMARY

V. DEFINITIONS

- A. ADMINISTRATIVE CHANGE
- B. CHANGE ORDER
- C. CONTRACT
- D. CONTRACT MODIFICATION
- E. CONTRACTING OFFICER
- F. HEAD OF CONTRACTING ACTIVITY
- G. ACQUISITION
- H. SUPPLEMENTAL AGREEMENT
- I. CLASSIFIED ACQUISITION
- J. CONTRACTOR
- K. SUBCONTRACTOR
- L. VENDOR
- M. DELIVERY ORDER
- N. UNAUTHORIZED COMMITMENT
- O. SMALL PURCHASE
- P. SUMMARY OF DEFINITIONS

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- B. PCO
- C. ACO
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 - 3. CLEAR TERMS AND CONDITIONS
 - 4. IN FORM REQUIRED BY LAW
 - 5. CONSIDERATION
 - 6. LEGAL OBJECTIVE
- C. ACTUAL CONTRACT
- D. IMPLIED CONTRACTING AUTHORITY
- E. APPARENT CONTRACTING AUTHORITY
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- G. QUOTATIONS
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- I. FEDERAL GOVERNMENT - SOVEREIGNTY
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- D. ALLOCABLE COSTS
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- C. CHANGES
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- B. POLICY
- C. PROCEDURES
- D. SUMMARY

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XIV. CONTRACT MODIFICATIONS

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- E. CONSTRUCTIVE CHANGES
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 - B. COURSE CONTENT
 - C. OBJECTIVE OF TRAINING
- II. STANDARDS OF CONDUCT
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 - B. SEMIANNUAL REVIEWS
 - C. GRATUITIES
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 - F. OTHER RESTRICTIONS
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APPENDIX F

KEY TO OPTIMAL COTR COURSE INSTRUCTIONAL UNITS

The researchers have elected to divide the nominal training day into segments to allow for uninterrupted training of ninety minutes per segment, in four segments per day. This would result in six class hours per day with a schedule as shown:

<u>Session</u>	<u>Time Period</u>
First	0800-0930
Break	0930-1000
Second	1000-1130
Lunch	1130-1230
Third	1200-1400
Break	1400-1430
Fourth	1430-1600

Such a schedule would allow for maximum class interaction as well as meaningful and refreshing breaks. Other schedules, however, would be workable with the proposed structure of instructional units described below:

Unit 1. Introductory Unit

15 Min.--Check in and general course administration

15 Min.--Introduction to course, goals and objectives

30 Min.--Orientation to legal and regulatory authority
for Navy contracting. (Constitution, USC, DAR,
and NCD)

30 Min.--Organization of Navy contracting. The contract-
ing officer--authority and warrant

Unit 2. Terminology and Legal Unit

30 Min.--Terms and Definitions

30 Min.--Contract types

30 Min.--Basic contract law

Unit 3. Standards of Conduct Unit

30 Min.--Students read SECNAVINST 5730.2 series

40 Min.--View Standards of Conduct video dramatization
(similar to FAI tape: Principles in Practice:
Standards of Conduct for Federal Procurement
Personnel)

20 Min.--Standards of Conduct Do's and Don'ts

Unit 4. Nonpersonal Services Unit

40 Min.--Students read SECNAVINST 4200.27 series, and
personal services questionnaire

20 Min.--Discuss nonpersonal services do's and don'ts

10 Min.--Students read SECNAVINST 4200.23 series:
"Correspondence and Oral Communication with
Contractors Concerning DON Contractual Matters"

20 Min.--Discuss do's and don'ts concerning COTR authority

Unit 5. Monitoring Unit

- 30 Min.--How to read a contract
- 30 Min.--Interpreting the statement of work (SOW)
- 20 Min.--How to interpret progress reports
- 5 Min.--Government Furnished Material (GFM)
- 5 Min.--Safety Monitoring

Unit 6. Cost and Pricing Principles Unit

- 20 Min.--Types of costs--direct and indirect
- 15 Min.--Allowable versus allocable costs
- 15 Min.--Pricing factors and competition
- 10 Min.--DCAA duties
- 15 Min.--How to participate in DCAA floor checks
- 15 Min.--What difference does proper allocation make?

Unit 7. Invoicing, QA and Acceptance Unit

- 10 Min.--Types of payments--progress and advance
- 15 Min.--Common methods of invoicing
- 35 Min.--How to determine if the invoice is proper for payment
- 30 Min.--QA and the inspection and acceptance function--
what to sign and when

Unit 8. Contract Funding Unit

- 10 Min.--The meaning of limitation of funds clause
- 20 Min.--Determining when a cost overrun exists
- 30 Min.--Invoicing exercise (cost type contracts)

30 Min.--Open question and answer period with contracting officer present

Unit 9. Time and Material/Labor Hour Contracts Unit

10 Min.--Special characteristics

5 Min.--Ordering officers and their duties

20 Min.--Basic TM/LH contract administration and the COTR

15 Min.--Invoicing and the TM/LH contract

70 Min.--Question and Answer period with contracting officer present

Unit 10. Technical Liaison and Problem Resolution Unit

5 Min.--Facilitating Communications

15 Min.--Avoiding inadvertent, unauthorized commitments and changes

10 Min.--How to determine if the schedule has slipped

20 Min.--View COTR video tape similar in content to the DOL/FAI dramatization "The COTR's Role in Contract Administration

20 Min.--How to issue and administer technical direction letters (TDLs)

20 Min.--What to do when things don't seem right

Unit 11. Review

90 Min.--Review all modules presented, concentrating on do's and don'ts and COTR procedural matters

Unit 12. Examination and Critique

10 Min.--Background material (legal, regulatory and do's
and don'ts of standards of conduct, etc.--10
questions

20 Min.--Procedural material (duties, responsibilities
and limits on authority--20 questions

15 Min.--Critique questionnaire

30 Min.--Final question and answer period with a contract-
ing officer present

15 Min.--Graduation--hand out certificates

APPENDIX G
A PROPOSAL FOR OPTIMUM COTR COURSE STRUCTURE

PERIOD COURSE	1-1	1-2	1-3	1-4	2-1	2-2	2-3	2-4	3-1	3-2	3-3	3-4
COTR (Cost and Time/ Material & L/H)	#1 INTRO	#2 LAW/REGS	#3 S.O.C.	#4 Contractor Relations	#5 Monitor	#6 Cost and Pricing Principles	#7 Invoicing, QA and Acceptance	#8 Contract Funding	#9 T&M and L/H orders Invoicing	#10 Technical Liaison, Problems	#11 Review	#12 Exam Critique Grad.
COTR (Cost only)	#1	#2	#3	#4	#5	#6	#7	#8	#10	#11	#12	None
COTR (T&M and L/H only)	#1	#2	#3	#4	#5	#6	#7	#9	#10	#11	#12	None
CM (or FFP COTR)	#1	#2	#3	#4	#5	#10	#11	#12	None	None	None	None

(See Appendix F for key to content of Unit 1 through 12 shown above)

APPENDIX H
COTR COURSE EXAMINATION

1. SECNAVINST 5370.26 (Standards of Conduct) implements DoD Directive 5500.7 and requires that a DD 1555 "Confidential Affiliations and Financial Interest" be submitted annually by:
 - A. Flag Officers, GS-16 and above, Commanding Officers, or Heads, and executive officers or deputy heads of Navy shore installations with over 500 permanently assigned personnel and all Marine Corps bases and air stations.
 - B. GS-13 and above and Navy Commanders (05) who exercise judgement in making Government decisions or taking Government actions including approving contracts.
 - C. GS-12 and above and Lieutenant Commanders (04) who exercise judgement in making Government decisions or taking Government actions which include approving contracts.
 - D. A and C.
 - E. A and B.
 - F. All of the above.
2. The statute (law) that authorizes and controls Department of Defense contracting is:

- A. Defense Acquisition Regulation (DAR, formerly known as Armed Service Procurement Regulation (ASPR)).
 - B. Federal Acquisition Regulations (FAR).
 - C. Navy Contracting Directives (NCD).
 - D. None of the above.
3. Personal service contracts unless authorized by statute are illegal. An example of a personal service contract is:
- A. A contract for field engineering work requiring specialized equipment and trained personnel unavailable to the Government, where the contractor performs work adequately described in the contract free of Government supervision.
 - B. A contract to furnish ordinary, day-to-day stenographic and secretarial services in a Government office under Government supervision.
 - C. A contract with an individual to deliver lectures without Government supervision.
 - D. None of the above.
4. Generally, Naval Personnel and their spouses, minor children, and members of their households are prohibited from soliciting or accepting gratuities from contractors by SECNAVINST 5370.26. However, the prohibition does not apply to the following:
- A. Courtesy tickets to sporting events or theatrical performances provided by the contractor.

- B. Direct discounts on contractor products purchased through the contractor employee sale outlets.
 - C. Acceptance of unsolicited promotional items that have a retail value of less than \$5.
 - D. None of the above.
5. The three most important considerations that the Government is concerned with in its relations with contractor are:
- A. Reviewing contractor billings, monitoring and maintaining Government property records.
 - B. Cost, Delivery and Performance.
 - C. Verifying invoices, issuing technical direction and reviewing progress reports.
 - D. Enforcing contract requirements, inspection/acceptance and processing constructive changes.
6. In a service contract funded by annual appropriations, generally the services must be performed during the fiscal year in which the funds were available for obligation.
T or F.
7. The "payments" clause of the T&M/LH contract requires the contractor to notify the contracting officer when all previous payments plus all hourly rate payments and material cost which will accrue in the next 30 days will exceed _____% of the ceiling price specified on the contract.

8. Under the "subcontracts" clause (DAR 7-901.10), the contractor _____ subcontract any work under the contract without the _____ approval of the contracting officer.
9. The "Inspection and Correction of Defects" clause (DAR 7-901.21), allows the Government up to _____ months after acceptance of services or materials to ask the contractor to remedy by correction or replacement any service or material which at time of delivery failed to comply with the contract.
10. "Government Property" (T&M/LH) clause (DAR 7-901.5) instructs the contractor to notify the Government if any Government property provided is not suitable for the use intended. The Contracting Officer may direct the contractor to:
 - A. Return the property at Government's expense.
 - B. Get rid of the property.
 - C. Effect repairs or modifications.
 - D. All of the above.
11. Labor-Hour Contracts provide for payment to the contractor for work performed based on fixed hourly rates. The Rates include:
 - A. Wages, Overhead and Profit.
 - B. Wages, Overhead and General Expenses.
 - C. Wages, Overhead, General and Administrative Expenses and Profit.

D. Wages, Overhead, General and Administrative Expenses, Material and Profit.

12. Time and Material Contracts and Labor-Hour Contracts give the contractor little incentive to control material costs or to manage his labor forces efficiently. T or F.

13. Many service contracts contain a Key Personnel clause.

In this clause, the contractor promises:

- A. To assign to the contract work certain named individuals.
- B. Not to remove or divert any of the named "key personnel" from the contract unless the Contracting Officer consents.
- C. A and B.
- D. None of the above.

14. Contractor's cost must be _____ and _____ in order to be reimbursable by the Government under cost-reimbursement type contracts.

15. Although a COTR may act for a Contracting Officer in some aspect of administering a contract, the COTR is expressly denied authority to:

- A. Agree to, or execute any contract modifications.
- B. Obligate the payment of money by the Government.
- C. Make a final decision on any matter that would be subject to appeal under the Disputes Clause.
- D. All of the above.

16. Formal Advertising is the preferred method of contracting.
T or F.
17. Federal Law requires that open-market purchases over \$1000 must be competitive. T or F.
18. The Firm Fixed Priced contract is the most preferred type of contract because it places all the cost risk on the contractor. T or F.
19. In a Cost Plus Fix Fee contract the effects of a cost overrun is that the fee paid to the contractor remains unchanged and the Government assumes the cost of the overrun. T or F.
20. A Cost-Reimbursement type contract is used when the technical requirements are clear, complete and accurate specifications exists. T or F.
21. Title to purchased materials under a cost-reimbursement contract remains with the contractor until the contract is completed. T or F.
22. The Contracting Officer has the unilateral right to order changes to the contract within the general scope of the contract. T or F.
23. The contractor has 45 days after receipt of a change order to request an equitable adjustment in price or delivery. T or F.

24. The "Extent of Quantity Variation" clause allows the contractor to vary the quantity by a maximum of plus or minus 15%. T or F.
25. The contractor can appeal both default and convenience terminations to the Armed Services Board of Contract Appeal (ASBCA). T or F.
26. If a cost type or LH/T&M contractor needs a special piece of equipment or costly material it may be in the best interest of the Government to furnish the equipment or material as Government property. T or F.
27. The COTR should carefully monitor the actions of other Government employees to ensure that their actions do not lead to unauthorized purchases or constructive changes. T or F.
28. The concept of value engineering is to encourage contractors to perform the contract more economically and share in any resulting savings to the Government. T or F.
29. COTRs are authorized to issue delivery orders by signing the DD 1155 as an authorized ordering officer. T or F.
30. Interest expense is an allowable expense under cost type contracts. T or F.

(See Appendix J for an Answer Key to this examination)

APPENDIX I
CM COURSE EXAMINATION

1. The "Extent of Quantity Variation" clause allows the contractor to vary the quantity by a maximum of plus or minus 10%. T or F.
2. The contractor has 45 days after receipt of a change order to request an equitable adjust in price or delivery. T or F.
3. Federal law requires that open-market purchases over \$1000 must be competitive. T or F.
4. Formal Advertising is the preferred method of contracting. T or F.
5. The Firm Fixed Priced Contract is the most preferred type of contract because it places all the cost risk on the contractor. T or F.
6. Personal Service contracts, unless authorized by statute, are illegal. An example of a personal service contract is:
 - A. A contract for field engineering work requiring specialized equipment and trained personnel unavailable to the Government, where the contractor performs

work adequately described in the contract free of Government supervision.

- B. A contract to furnish ordinary, day-to-day stenographic and secretarial services in a Government office under Government supervision.
- C. A contract with an individual to deliver lectures without government supervision.
- D. None of the above.

7. Generally, Naval personnel and their spouses, minor children, and members of their households are prohibited from soliciting or accepting gratuities from contractors by SECNAVINST 5370.26. However, the prohibition does not apply to the following:

- A. Courtesy tickets to sporting events or theatrical performances provided by the contractor.
- B. Direct discounts on contractor products purchased through the contractor employee sale outlets.
- C. Acceptance of unsolicited promotional items that have a retail value of less than \$5.
- D. None of the above.

8. Although a CM may act for the contracting officer in some aspects of administering a contract, the CM is expressly denied authority to:

- A. Agree to, or execute any contract modifications.
- B. Obligate the payment of money by the Government.

- C. Make a final decision on any matter that would be subject to appeal under the disputes clause.
 - D. All of the above.
9. CMs are authorized to issue delivery orders on firm fixed priced contract by signing the DD 1155 as an ordering officer. T or F.
10. The CM should carefully monitor the actions of other Government employees to ensure that their actions do not lead to unauthorized purchases or constructive changes. T or F.

(See Appendix K for an Answer Key to this examination)

APPENDIX J
ANSWER KEY FOR COTR EXAMINATION

1. F
2. A
3. B
4. C
5. B
6. True
7. 85%
8. Cannot, Written
9. Six
10. D
11. C
12. True
13. C
14. Reasonable, Allocable
15. D
16. True
17. False
18. True
19. True
20. False
21. False
22. True

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AN ANALYSIS OF CONTRACTING OFFICER TECHNICAL
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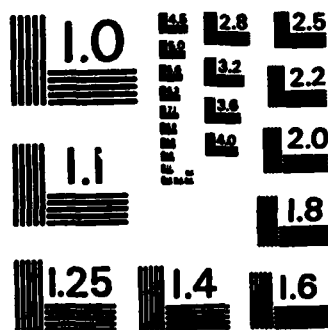
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FORMED

127-10



MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS-1963-A

- 23. False
- 24. False
- 25. True
- 26. True
- 27. True
- 28. True
- 29. False
- 30. False

APPENDIX K
ANSWER KEY TO CM EXAMINATION

1. True
2. False
3. False
4. True
5. True
6. B
7. C
8. D
9. False
10. True

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